problems, illiteracy etc., to access the banking services, with the .help of these intermediary institutions, even if there is no bank branch in the areas.

(d) RBI had issued draft guidelines on outsourcing of financial services by banks on December 6, 2005. Various banks employees unions/ associations have expressed reservation against banks outsourcing all the normal banking jobs and services to outside agencies on contract and commission basis. On the basis of suggestions received from all stake holders, RBI has issued the Guidelines on Managing Risks and Code of Conduct of Outsourcing of Financial Services by Banks on November 3, 2006 which, *interalia,* provides that:—

(i) Banks which choose to outsource financial services should not outsources core management functions including Internal Audit, Compliance function and decision-making functions like sanction for loans, etc.

(ii) Sound and responsive risk management practices need to be adopted by banks for effective oversight, due diligence and management of risks arising from activities outsourced.

Concession in Interest rate on agriculture loans by Co-operative Banks

†609. SHRI RAJNITI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether co-operative banks have also decided tdi give concessions in the rate of interest on agriculture loans on the limes of commercial banks;

(b) if so, the extent of benefit alongwith the estimated number of farmers to be benefited as a result of this policy;

(c) whether the Reserve Bank of India have separately formulated any guidelines/criterion in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In the Budget for the year 2006-07, Government announced its decision to ensure Short Terrtii Agriculture Credit upto a principal amount of Rs. 3 lakh at 7% p.a. w.e.f. Kharif 2006: To

†Original notice of the question was received in Hindi.

operationalise this budget announcement, Government has decided that NABARD would provide refinance to cooperative banks to the tune of Rs. 14,000 crore at a concessional interest rate of 2.5% p.a. for the year 2006-07. This concessional refinance is to be provided to those cooperative banks that lend short term agriculture credit at 7% p.a. Instructions in this regard have been issued by NABARD. Government has now decided to give a subvention of 2% p.a. in 2006-07 to cooperative banks on their own funds used for short term lending provided they lend at 7% p.a. Government has also asked the State Governments to provide adequate subvention to cooperative banks to enable them to lend at 7% p.a.

(b) As per information with National Federation of State Cooperative Banks more than 4.5 crore farmers accounts were provided loans by the Cooperative Banks in the year 2004-05 at rates ranging from 9% to 15%. The farmers to be benefited under the present scheme is likely to be more than 4.5 crores in the year 2006-07 and the extent of benefit would range from 2% to 8% p.a.

(c) and d) RBI has issued guidelines pertaining to public sector banks. However, RBI has not formulated any guidelines for cooperative banks as such.

Private investment in building infrastructure

610. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) the details of the major recommendations/observations made in the conference on 'Building Infrastructure Challenges and Opportunities' held in New Delhi in October recently;

(b) the names of the sectors identified therein for allowing private investment and the estimated investment requirement in each such sectors; and

(c) the details of the measures taken/proposed to be taken by Governmentto attract private investment to generate huge amount of funds required for accelerating the growth rate of nation's economy during the Eleventh Plan period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Sector-wise major observations made in the conference, *interalia,* are as follows: Restructuring of NHAI, construction